(4) Excise, Trade and Customs.

19. Desirability of more freely issuing licenses under the Sweet Toddy Rules.

Mr. K. Padmanabhan Channar (Member, Nominated) began by saying that the material prosperity of a State depended upon the development of indigenous industries, that all over India there was a general awakening for the revival of industries and that his prayer was to revive the dying industry of making jaggery from cocoanut and palmyra trees. That had been the chief industry of his community for a very long time but it was fast dying out, owing to the very limited number of licenses issued year after year by the Excise Department for tapping cocoanut, palmyra and *choondapana* trees. The coir industry, also peculiar to his community, had become unprofitable owing to the European War and the only other industry on which his people could depend was the tapping of cocoanut and palmyra trees for sweet toddy. The jaggery made from sweet toddy was cheaper than sugar and could be freely substituted for sugar for all practical purposes. In 1090, only 85 licenses were issued for tapping sweet toddy, while in 1091 the number came down to 80. Of the 476 cocoanut trees allowed to be tapped in 1091, 354 were in the Parur taluk. It would thus be seen that only 122 cocoanut trees were allowed to be tapped in the rest of the State. The fear apprehended by the Excise Department that, if greater liberty was given for tapping sweet toddy, it would open a door to the illicit manufacture of arrack, was groundless.

To the Dewan's remark that, in the whole of the Padmanabhapuram Division, the Neyyattinkarai taluk in the Trivandrum Division and the Shencotta taluk in the Quilon Division, licenses were not compulsory, the Member said that the exemption related to palmyra trees alone and that his contention was in respect of cocoanut trees, which were very scarce in those taluks.

The Member prayed that licenses might be freely issued for tapping sweet toddy and that the declining industry be thus revived.

Dewan's reply.—Noted.

20. Modification of sections 38 and 41 of the Rules issued under the Tobacco Regulation and the construction of godowns at the sea customs and the land entrance chowkeys as also at the landing ghat near the Tobacco Bankshall at Quilon.

Mr. K. A. Krishna Pattar (Member, Trading Classes, Quilon) said that, according to section 38 of the Rules issued under the Tobacco Regulation, the licensed *melabhom* merchant was responsible for any infringement of the conditions of his license committed by his agents or persons in his employ and that, in condition xvi of rule 33, it was stated that the Government would not be held responsible for the destruction, loss or damage of any tobacco bonded or deposited in bankshalls, by fire, lightning, or any other accident or by theft, all such tobacco being bonded or deposited at the sole risk of the licensed *melabhom* merchant. By section 38, therefore, if a servant or cooly engaged by a *melabhom* merchant committed theft of tobacco, the employer was also held responsible for the former's guilt. The Member quoted instances in which the employers were called upon by the Excise Circle Officer to show cause why they should not be prosecuted for the offences committed by their agents and servants. He said that the above provision worked real hardship on licensed *melabhom* merchants. He, therefore, prayed that section 38 might be expunged from the Rules.

Section 41 of the Rules was also another objectionable provision. It laid down that no persons other than Excise Officers on duty should be permitted to enter a tobacco bankshall, except on production of a ticket of admission granted by the officer in charge of such bankshall. That provision was a sharp weapon in the hands of Excise Officers to injure those licensed *melabhom* merchants who were not in favour with them, because the latter could not enter the bankshall unless the tickets were issued in time. The merchants could not, therefore, satisfy the demands of the several retail merchants, who obtained their supply from them, with the result

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that the transactions of the *melabhom* merchant considerably suffered. The Member prayed that Rule 41 might also be deleted.

The Member also requested,—

(1) that the landing ghat near the Tobacco Bankshall at Quilon which was in a ruined and neglected condition might be improved and made useful ; and

(2) that godowns be erected at the Quilon Sea Customs and the Railway Chowkey at Quilon for storing tobacco.

Dewan's reply.—Noted.

21. Suggestions for the development of Commerce.

Mr. M. L. Janardhana Pillai (Member, Trading Classes, Alleppey) said that the total volume of *external* trade in 1091 was B. Rs. 7,27,78,754, which was decidedly an increase against the figure for 1090. The value of the exports was 59·4 per cent of the total trade and that of imports was 40·6 per cent, as against 58·8 per cent and 41·2 per cent respectively in 1090. It would thus be seen that the value of trade was not a negligible figure and that it deserved the careful and sympathetic attention of Government and the leaders of people, especially the means and methods whereby trade could be still better improved. The Member then gave the figures for export under each article and observed that a country could be said to be prosperous and wealthy only when its products fetched the highest price possible and when the cash value of such products remained in the country as far as possible. He then quoted Great Britain and America as examples to illustrate his point. The state of affairs in Travancore was different. Here, unfortunately, almost 90 per cent of the exports were raw products and they were being used for the manufacturing industries of other countries, while the imports were almost wholly articles manufactured in other countries. Under those circumstances, it was necessary to scrutinize (1) whether the exports had reached the *maximum quantity* the country was capable of producing ; (2) whether the maximum price available for each of the products was being realised; and (3) whether the profits resulting from trade were left in the country for the benefit of the people. He then examined the list of export tariff, of which 10 articles were the products of the cocoanut tree, and urged that the commerce of the country could be developed only if the cocoanut tree yielded the maximum quantity that it was capable of producing. He, therefore, recommended the organization of a Special Department dealing with the commercial aspect of that question or the Director of Agriculture and Fisheries being asked to work out practical schemes on commercial lines with particular reference to the produce of the cocoanut tree. In his opinion, there seemed to be a serious economic fallacy when Government said that the balance of trade was in favour of the State, and he came to the conclusion that the exports had not reached the maximum quantity. He then turned his attention to consider whether the actual producer—the son of the soil—was able to realize the best value for all his produce. In dealing with that part of his subject, the Member referred to the various difficulties which stood in the way of the producer's direct connection with the market and which made him a triple loser, as, in the course of the sale of his produce, three brokers had their own gain. He then explained how the profits from trade were going outside the country without benefiting the people in any way. The Member also mentioned the following as the causes why the export trade was not sufficiently developed :—

(1) Absence of definite and correct information on all points pertaining to the export trade ;

(2) Want of Scientific and Commercial training ;

(3) Complete absence of financial facilities ; and

(4) Absence of systematic sympathy on the part of the Government to improve the commerce of the country.

To remedy the evils, the Member suggested that Government should open a Commercial Intelligence Department and appoint a thoroughly sympathetic and capable Indian Official in charge of it, with a small Advisory Board, consisting

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